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In the 2 months of November and December 1948 the number of businesses active in Changchun reached 8,000; by May 1949, the number reached 11,000. At present there are 13,000. The government has been actively aiding all lines of business that contribute to useful production by loans and guidance. It has been pointed out to manufacturers that their big market will be found in the agricultural populace and they have been encouraged to set up research units to study the rural population's needs and purchasing power.

PUBLICLY OPERATED ENTERPRISES PROSPER -- Hong Kong Hsing-tao Jih-pao,  
29 Jul 50

Shanghai -- The statistics presented at the second plenary session of the Military and Administrative Committee of East China reveal striking progress on the part of publicly operated enterprises during the first 5 months of 1950. There are 472 public treasury units, 4 million members of cooperatives, city tax collections have reached 88.9 percent of their targets, and there has been an increase of 66 2/3 percent in the value of products of publicly operated industries.

The adjustment of relations between publicly and privately operated enterprises is considered very important to the conquering of present difficulties. To this end, public enterprises in East China have been farming out processing projects to private industry in great quantities. Textile industries have received very large orders for processing both yarn and cloth. The private steel industry has received two-thirds of the orders placed by public agencies. Electrical industries have received contracts from public agencies amounting to 12 million catties of rice. The East China General Merchandise Corporation and the Trade Trust Company have bought the products of private industries to the value of 186 billion yuan during April and May.

Value of production in publicly operated enterprises has shown a gain of 65 percent during the first 5 months of the year. Cooperatives above the ch'u level have increased from 831 to over 1,000 and those directly organized by the peasants below the ch'u level have increased from 8,095 to 11,780 thus far this year.

In his report to the committee, the chairman urged the necessity of production in accordance with the market and the avoidance, especially on the part of private industry, of unplanned production. He admitted that many of the working cadres are still imbued with the poison of feudalistic ideas and urged their speedy re-education in order to enable them to follow democratic practices among the people and thus increase the cordiality of relations between the government and the people.

REPORT GOODS OF INFERIOR QUALITY -- Hong Kong Hsing-tao Jih-pao, 28 Jul 50

Hong Kong, 27 July (AP) -- Reports culled from Communist newspapers over a period of time indicate that through lack of ability among industrial executives and carelessness on the part of workers much of the production of factories in Communist China is defective and results in great waste.

Instances cited are as follows:

1. North China electrical power plants were able to produce only to 28.4 percent of capacity; consequently, many industries dependent on them for power are in great difficulties.

2. Last year in 31 publicly operated industrial plants in Tsitsihar in the Northeast 27,400,000,000 Northeast yuan worth of labor and materials were wasted through inefficient management.

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3. Bicycles manufactured throughout the country are very inferior in durability.

4. Six thousand tons of cement manufactured in the state-operated cement works in Tsinan, Shantung, were below standard and had to be returned.

5. The steel strips produced by the Anshan steel works show a wide variation in thickness.

6. Trackless trolleys manufactured by the Northwest Highway Bureau proved useless, resulting in great waste of treasury funds.

7. Over 6,800 cases of explosions and sabotage have occurred during the past year in the Northeast, North China, East China, and Central-South China.

8. Great quantities of tools and machinery manufactured in Port Arthur and Dairen have proved unusable and have been returned.

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